

Federal Customer Guide To Reimbursable Work Authorizations



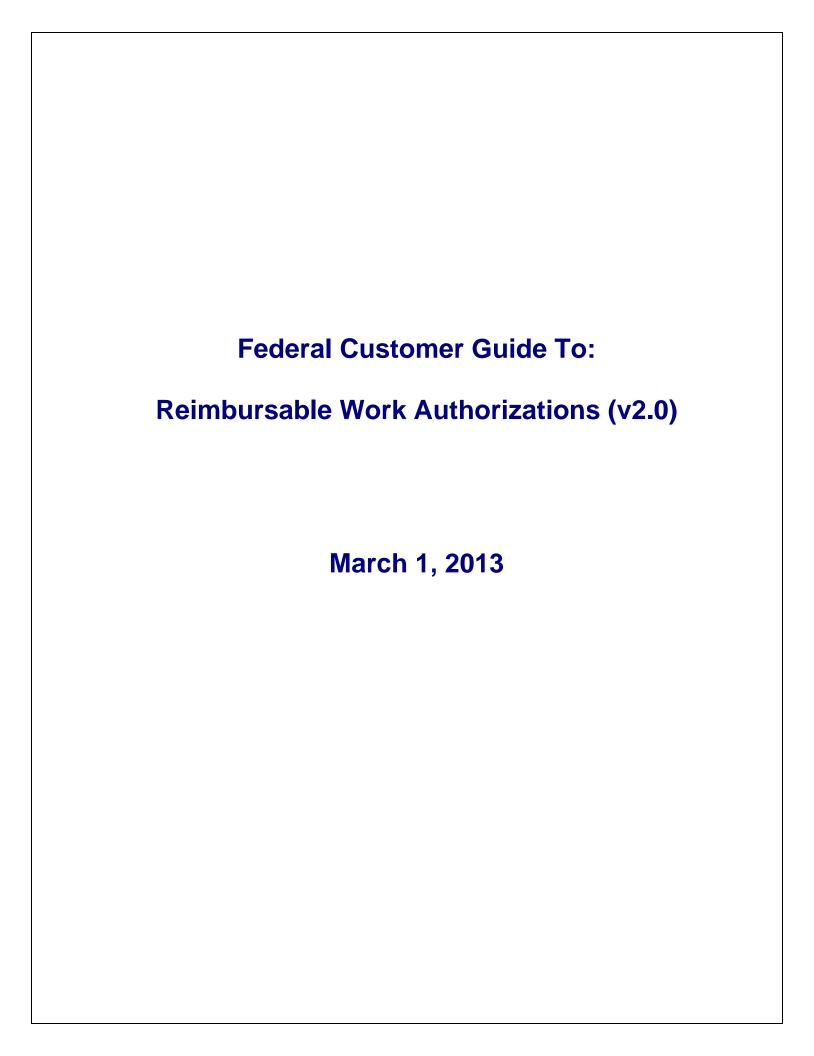


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1. Introduction to Reimbursable Work Authorizations

Welcome to the Federal Customer Guide to Reimbursable Work Authorizations (v2.0). This document disseminates major topics of interest from the RWA National Policy Document, in a similar but client-friendly format, for use by Federal client agencies with the goal of promoting clear and consistent understanding of reimbursable work authorization (RWA) policy.

The guide also emphasizes items of special interest to the reader with the symbol: "*Note*" in blue italic font throughout the guide. The Guide is not meant to be the only source of information pertaining to Reimbursable Work Authorizations. If you have questions, please contact your respective regional RWA Core Team member shown at the following hyperlink: RWA
Core Team Member Map

2. History and Overview of the Reimbursable Work Authorization

2.1. General Services Administration

The Federal Property and Administrative Services Act of 1949 established GSA to provide the Federal Government with an economical, efficient system for acquiring and maintaining property and providing services for use by the U.S. Government. This act has been codified as United States Code (U.S.C.) Title 40, Public Buildings, Property, and Works, Subtitle I, Federal Property and Administrative Services (40 U.S.C. §301).

GSA contains two primary service organizations: the Federal Acquisition Service (FAS) and the Public Buildings Service (PBS). The Federal Buildings Fund (FBF) for PBS operates like a revolving fund with Congress providing annual authority through GSA's appropriation acts to obligate and expend monies from the FBF for, among other things, building operation, as well as for providing goods and services to client agencies.

2.2. Federal Buildings Fund, References, and Reimbursable Authority The FBF provides the financial mechanism for the procurement of goods and services billed to, and reimbursed by, the client agency. Several authorities provide the basis for PBS's reimbursable work that it performs on behalf of the requesting agencies.

2.2.1. 40 U.S.C. § 592 (b)(2)

Generally, PBS performs reimbursable work for other Federal agencies under the authority of 40 U.S.C. § 592 (b)(2), which authorizes the GSA Administrator to provide special services not included in an agency's Rent on a reimbursable basis.

RWAs using the authority of 40 U.S.C. §592(b) (2) are recorded as obligations by the client agency in the fiscal year in which the RWA is accepted by GSA.

The funding authority provided via the RWA is available for obligational purposes within the FBF for the entire period of contract performance, even when performance crosses fiscal years. Contracts for nonseverable services and supplies, for example, can be awarded as multiyear contracts for up to 5 years using the authority of 41 U.S.C. §254(c).

2.2.2. The Economy Act

The RWA process described above differs from interagency agreements (IAAs) that are entered into under the Economy Act (31 U.S.C. §1535) where both the requesting and performing agencies must obligate the funds within the period of availability pertaining to those funds.

The issue of whether or not an RWA may be accepted using the authority of the Economy Act is based on a determination of which agency will maintain jurisdiction, custody, and control of the space in which the work will be done. If the finished project will be in space that is **not** under the jurisdiction, custody, and control of GSA, then the Economy Act provides the basis for GSA to perform the requested work.

Please note that Department of Defense (DoD) policy has a more restrictive set of requirements based on DoD financial management policy. Please contact your respective RWA Core Team manager for more information.

2.2.3. 40 U.S.C. §583

PBS uses the authority of 40 U.S.C. §583 to acquire land and construct buildings on behalf of other agencies.

2.2.4. 40 U.S.C. §113(d)

PBS uses the authority of 40 U.S.C. §113(d) to perform reimbursable services for Congress.

2.3.5. Appropriations Law

The statutes authorizing the FBF do not permit a client agency to do indirectly what it cannot do directly under the terms and conditions of its congressional appropriations.

- Any restrictions on the availability or use of client agency funds must apply to PBS' contracting activities for that client agency under the authority of an RWA.
- A client agency cannot contract with PBS for future year needs, nor can it use funds for any purpose other than a *bona fide* need or for a specific purpose authorized by Congress, with funds appropriated to the client agency.
- The Anti-Deficiency Act (ADA) (31 U.S.C. §1341) is the basic statute governing the use of Federal funds. It forbids obligating more than the amount of funds available under any appropriation or fund. It also prohibits making expenditures or incurring obligations in advance of appropriations. Violation of the ADA could result in criminal and civil penalties.

3. Reimbursable Work Authorization Definition and Classifications

3.1. RWA Definition

An RWA is an agreement between PBS and a client agency whereby PBS agrees to provide goods and services and the client agency agrees to reimburse PBS for the cost of these goods and services plus expenses and fees. The RWA constitutes a written order from the client agency requesting PBS to procure goods and services on its behalf.

RWAs capture and bill client agencies for the cost of altering, renovating, repairing, or providing services in space managed by PBS for the Federal community over and above the basic operations financed through Rent. An RWA provides written documentation of the formal agreement between the client agency and PBS.

The RWA must include the following items and characteristics:

ľ	TEM	Check
*	A Bona Fide need	$\sqrt{}$
*	A preliminary scope of work (SOW) supporting the Description of Requirements block on the Form 2957 so that anyone unfamiliar with the request could clearly understand the quantities and outputs to be delivered.	\checkmark
*	A cost estimate using the Summary Cost Estimate (SCE) worksheet that supports the total authorized amount of the RWA, in the same level of detail as the preliminary scope of work for the requested reimbursable service	$\sqrt{}$
*	Proper funding certification, including the type of funding for annual or multi-year appropriations (see definitions below) as well as the <u>expiration date of the obligational authority</u> :	V
	 Annual appropriations are appropriations that are made for a specified fiscal year and are available for obligation only during that fiscal year; 	
	 Multi-year appropriations are appropriations that are available for obligation for a definite period of time in excess of one fiscal year; or 	
	No-year appropriations are appropriations that are available for obligation without fiscal year limitation. The standard language used is "to remain available until expended."	
*	A client agency signature from an agency official authorized to commit funds for the client agency.	\checkmark

3.2. Classification of RWAs

3.2.1 RWA Type: Recurring and Nonrecurring

The RWA breaks down into two main categories: Type (recurring or nonrecurring) and Service (severable or nonseverable).

3.2.1.1. Recurring RWAs

Recurring RWAs provide services to client agencies where the costs of those services **cannot** be readily differentiated or separated from standard operating costs. The services cannot extend beyond one fiscal year.

Recurring RWAs do not require an invoice and PBS bills the authorized amount equally, "on a recurring basis," over the period of service. Example: Overtime utilities where service is not separately metered and/or billed.

3.2.1.2. Nonrecurring RWAs

Nonrecurring RWAs are those RWAs that provide services where costs **can** be readily identified and separated from standard operating costs. With limited exception, nonrecurring RWAs have no self-determined fiscal year limitations. Nonrecurring RWAs are substantially complete at the time of final inspection and financially closed out thereafter. Examples: Overtime utilities where service is separately metered and/or billed; Space alterations, and Consulting or estimating services.

	Federal RWA Type *		
	Recurring		
R-type R-type RWAs depict recurring services to Federal client agencies. Upon RWA, the period of service (which can range from 1 day to 12 months) is determined. PBS bills the authorized amount equally throughout the period service. Under current policy, R-type RWAs are closed at the end of the fexample: Overtime utilities where the utility services are not separately mobilled.			
	Nonrecurring		
A-type	A-type RWAs depict projects funded by both PBS and the client agency (<i>i.e.</i> , splitfunded) and are for a one-time need. They support, or are associated with, a non-prospectus project (<i>e.g.</i> , a minor repair and alteration project) and are for projects in Federally owned space <i>only</i> . Examples: Construction and/or design services.		
B-type	B-type RWAs depict projects funded by both PBS and the client agency, or client agency-funded only, and are for a one-time need. They support, or are associated with, a prospectus project regardless of the amount. Example: Client agency-funded work for "above-standard" tenant improvements exceeding the prospectus threshold.		
E-type	E-type RWAs require no cost estimate and depict nonrecurring services in support of national emergencies or disasters under the Stafford Act. The Department of Homeland Security, Federal Emergency Management Agency (FEMA) typically uses E-type RWAs. Example: A move associated with a Presidential disaster declaration.		
F-type	F-type RWAs depict services for one or more miscellaneous projects not exceeding \$25,000 each, inclusive of fees. The total amount for F-type RWAs cannot exceed \$250,000 per year. This RWA type requires no cost estimate and must close by September 30 of the fiscal year in which originated. F-type RWAs may not include both severable and nonseverable services (see section 3.3) on the same RWA. Also, GSA need not certify an F-type RWA as complete, and can financially close out the RWA at any time within a fiscal year. F-type RWAs close out automatically at the end of the fiscal year in which originated. Example: Changing of key locks.		
N-type	N-type RWAs depict nonrecurring services and are standalone projects for a one- time need that are fully funded by a client agency for non-prospectus projects. N- type RWAs for severable services are limited to 365 days but may cross fiscal years. Examples: Space alterations in owned or leased space; non-prospectus repairs and		

Federal RWA Type *
alterations; or overtime utilities where the utility services are separately metered and/or billed.

^{*} GSA determines the type after receipt but before acceptance of the RWA

3.2.2. RWA Service: Severable and Nonseverable

3.2.2.1. Severable Services

A severable service is one in which the client agency receives value as the service is rendered. A task is severable if it is divisible into components where each component meets a separate client agency need. Services that are continuing in nature are severable, and the client agency must charge the costs to the fiscal year appropriation current at the time the service is rendered.

For severable services citing annual appropriation funding, the period of performance may cross fiscal years. Client agencies may obligate the total amount of funds available in the fiscal year in which the contract takes effect. If a severable service contract cites no-year or multi-year funding, the period of performance must be consistent with the period of obligational authority.

3.2.2.2. Nonseverable Services

A nonseverable service is one in which the client agency receives value only at the completion of the service. A task is nonseverable if it is required in its entirety to meet the client agency need.

Multi-year contracts for nonseverable services and supplies can extend for a period of up to five-years from the last year the client agency funding is available. Additionally, a client agency may elect to fund a multi-year contract at a higher value in any fiscal year, up to the full amount of the remaining contract value.

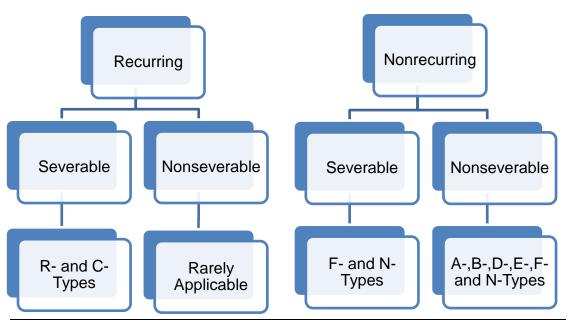


Fig. 1 – RWA Types and Services

4. RWA and Small Project Processes

A successful reimbursable work process begins and ends with communication. The degree of communication and documentation correlates to the complexity of the client agency request. The RWA process entails five phases and correlates well with the overall four phases of the Small Projects global project management (gPM) model:

Table 3 – Reimbursable Work Authorization Process and Small Project Life-Cycle Phases			
Small Projects Life- Cycle Phase	Reimbursable Work Authorization Process	Mandatory RWA Client Agency Letter	
Project Initiation. (Develop project strategy and confirm client agency objectives.)			
Project Development and Planning. (Develop project plan and approach, present options, develop cost estimates.)	Requirements Development Cost Estimate	Acknowledgement of Receipt Letter	

Table 3 – Reimbursable Work Authorization Process and Small Project Life-Cycle Phases			
Small Projects Life- Cycle Phase	Reimbursable Work Authorization Process	Mandatory RWA Client Agency Letter	
	Funds Certification and Acceptance	Acceptance Letter	
3. Project Execution	Execution	Followup Letter (Optional)	
(Execute project plan.)			
Project Closeout (Evaluate, measure, take corrective action)	Substantial Completion and Financial Closeout	Completion Letter	
and complete Financial Closeout.)		Closeout	
5. Project Cancellation and Closeout	Cancellation and Financial Closeout	Cancellation and Closeout Letter (Optional)	

Fig. 2 – RWA and Small Projects Processes

Throughout the RWA project life cycle, PBS documents the RWA's progress by way of client agency letters. The output of letters will vary with the complexity of the work or service requested. Currently there are six Client Letters as shown in *Figure 3* below, four of which are normally mandatory. Only the *RWA Follow-up Letter* and the *Cancellation and Closeout Letter* are optional. This graphic shows where in the process the client agency can expect to receive each letter.:

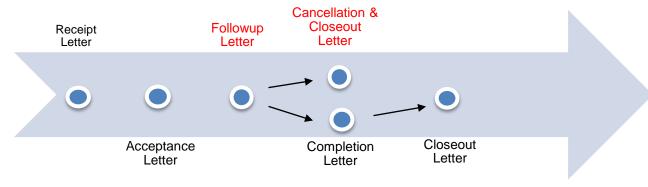


Fig. 3 – RWA Client Letters

4.1. ESSENTIAL ELEMENTS OF AN RWA

The following graphic depicts the description and definition of each of the essential elements of an RWA:

Requirements Development

- The requirements development process begins with discerning the customer agency's requirement(s).
- PBS helps develop the requirements to include a *Bona Fide* need assessment
- PBS develops and presents a formal requirements package with options to the customer agency.
- •This is the basis for determining the type of funding.
- Customer agencies are encouraged to contact PBS while developing the requirements and detailing the scope of work prior to submitting the RWA. This action will help facilitate development of the cost estimate.

Bona Fide Need

- •The customer agency must have a current *Bona Fide* need for the goods or services to be provided by PBS at the time the agency enters into the RWA In other words, you cannot use current year funds to meet a future year need.
- •PBS verifies that the accepted reimbursable agreement reflects this requirement.

Cost Estimate

- •PBS prepares the cost estimate using the Summary Cost Estimate worksheet for project management, direct, indirect, and all other related costs, and presents the consolidated package to the customer agency for approval.
- Customer agencies requesting reimbursable work are responsible for verifying and accepting PBS cost estimates within 30 calendar days following submission of the estimate.
- •The maximum time a cost estimate will typically remain valid under current market conditions is 90-calendar days.
- Examples of acceptable cost estimates include a completed Summary Cost Estimate (SCE) worksheet, an Independent Government Estimate, or a Lessor-obtained proposal from at least three independent contractors.
- With the exception of E- and F-type RWAs, cost estimates are required.
- Financial and other supporting data (e.g., billing information relative to the reimbursable request) should be included.
- PBS assesses customer agency-prepared cost estimates for validity only and documents the file accordingly.
- •Cost estimate must match the RWA funding amount.

4.1.1. RWAs in Excess of Prospectus Amounts

PBS no longer requires the submission of Authorization Only prospectuses for projects; rather, by signing the RWA, the client agency is certifying that the agency's funds cited are legally available for the specific work referenced in the RWA.

Note: When PBS performs work under the Economy Act, it is important to note that the client agency's funding availability and obligation requirements are different than when PBS is relying on customary RWA authority under 40 U.S.C. §592(b)(2). Program representatives must seek further guidance from the PBS CFO and their regional offices, as well as from Portfolio Management and Legal Counsel.

4.1.2. Completing the RWA Form

Both the PBS and a client agency representative having the authority to order or request the service must sign the RWA and thereby certified funds availability. If the client agency desires, the PBS representative will assist with completing the RWA. Electronic or digital signatures are acceptable.

Each block on the RWA contains numbers for easy reference. The RWA includes instructions for completing each of the numbered block items. The most recent version of the RWA (Form 2957) is stored in the GSA Forms Library. Once completed and signed, the client agency submits the RWA to GSA for review and acceptance.

4.2. Acceptance of the RWA

In PBS, a reimbursable agreement becomes formal with the completion and submission of the RWA and PBS acceptance of it.

- 1. Prior to PBS acceptance, the submitted RWA must contain a preliminary scope of work which includes:
 - a. Narrative detail clearly defining the type of work and objectives and requirements of the client agency request, as well as the project address or location, building number, and deliverables; and
 - A completed SCE worksheet, including necessary cost estimate documentation to support, and at the same level of detail as, the preliminary scope of work; and

- Certification of funds signed by a client agency official authorized to commit agency funds, and
- d. All required signatures.
- NOTE: Issuance of the Acknowledgement of Receipt Letter to the client agency constitutes official receipt by PBS of the RWA.
- 2. Acceptance of RWAs early in the project lifecycle when occupancy might not happen until well into the future was problematic when using annual appropriations. Although GSA may not "park" or "bank" funds, accepting the RWA early on is acceptable as long as a milestone schedule clearly identifies when the various tasks will take place and the schedule illustrates that procurement of said items cannot happen immediately but will happen during the project lifecycle.
 - ✓ PBS is responsible for executing the work within the scope identified in the RWA.
 - The RWA may not support requirements outside the scope of the RWA or beyond the period in which the funds are legally available for new obligations.
 - ✓ The client agency may amend an RWA scope, if necessary, citing current obligational authority.
 - The client agency may amend RWAs where obligational authority has lapsed, but only within the scope of the original agreement.
- ➤ NOTE: Issuance of the Acceptance Letter to the client agency constitutes PBS's official acceptance of the RWA.
- NOTE: While project planning and acquisition planning (in the event of a National Disaster Declaration by the President or in other unique circumstances) may begin before acceptance of an RWA, PBS will not award a contract or a lease prior to accepting the RWA.

4.2.1. Federally-Owned Space

A client agency may submit an RWA, or an RWA amendment, for acceptance at various times for a project in federally owned space.

When a client agency identifies a space requirement, the PBS representative will work with the client agency throughout the project lifecycle and may request (and the client agency must submit) an RWA or amendment at each of the following milestones if changes occur:

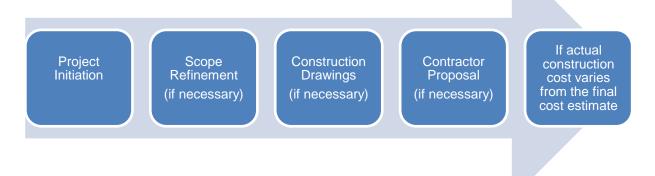


Fig. 5 – RWA Acceptance (Federal Space)

➤ NOTE: The precision or accuracy of the cost estimate will vary based on the phase of the project lifecycle.

4.2.2. Leased Space

A client agency may submit an RWA, or an RWA amendment, for acceptance at various times for a project in leased space.

When a client agency identifies a space requirement, the PBS representative will work with the client agency throughout the project lifecycle. The PBS representative will **REQUEST** an RWA (or an amendment) in each of the following circumstances:

- 1. If the PBS program or project representative knows that the project will require a lump-sum payment, the PBS representative must require an RWA (or an amendment):
 - a. After initial offers, or
 - b. After final proposal revision offers, or
 - c. Prior to lease award.
- 2. The client agency may also submit an RWA (or an amendment) if:
 - a. The client agency has a past history of exceeding the TI allowance, or
 - b. The lease requirement includes inherently governmental OMB Circular A-11functions, or
 - c. The client agency chooses to buy down the customization part of its TIs, if doing so is consistent with current PBS pricing policy.

An RWA (or an amendment) is **REQUIRED** in each of the following circumstances:

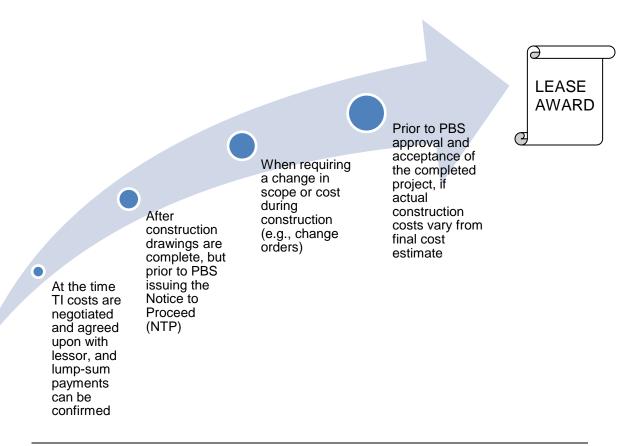


Fig. 6 – RWA Acceptance Requirements (Leased Space)

NOTE: The precision or accuracy of the cost estimate will vary based on the phase of the project lifecycle.

4.3. Certification of Funds

4.3.1. Acquisition Requirements

PBS contracting activities must abide by any restrictions and limitations applicable to the funding provided by the requesting client agency.

PBS initiates and sustains communication regarding specific or unique regulatory or statutory requirements applicable to the client agency's goods or services request.

When accepting RWAs from a client agency, PBS presumes verification (by evidence of the client agency's signature/certification on the RWA) that, at a minimum:

The client agency certifies that the funds cited on the RWA are legally available for the purpose of the acquisition activities to be performed by PBS,

> The client agency has disclosed all unique funding and procurement requirements (including statutory, regulatory or policy) applicable to the provided funding, and

> > The customer agency has completed all required internal reviews and approvals before placing the order with PBS.

Fig. 7 – Acquisition Requirements

4.3.2. Obligation of Funds

A basis of acceptance of an RWA within PBS entails an intention to execute the agreement within a reasonable time after acceptance. The RWA contains the date of contractual award agreed-upon by PBS and the client agency. PBS considers 90 calendar days as a reasonable time to obligate funds accepted from a client agency.

The client agency must have authority to obligate the funds at the time the agency's funds certifying official signs, and thereby certifies, the RWA. Funds may not be obligated until the client agency and PBS sign the RWA. The signed RWA authorizes PBS to execute the scope of the client request based on the authorized amount.

The client agency must **not** include multiple funding sources having different appropriation types on the same (initial) RWA.

- NOTE: The appropriation current at the time the contract commences must be sufficient, at a minimum, to fund the costs of the first fiscal year in which the contract takes effect, plus the estimated costs associated with any termination or cancellation liability under the contract.
 - 4.3.3. Restrictions on Accepting Reimbursable Work
 Reimbursable tasks and related funding may only be accepted
 by PBS if it is in the business of providing those items or
 services.

4.3.5. Restrictions and Responsibilities of Funds All Government funds are restricted to the purposes for which the appropriation is made or as otherwise specifically authorized by law. The client agency must obligate its funds during the period

4.4. Execution and Follow-up

4.4.1. Initiation of Work

of availability of those funds.

The act of providing reimbursable goods and services may begin only after PBS obtains the obligational authority to provide those goods and services on behalf of the client agency, as evidenced by the RWA being signed by the requesting agency and accepted by PBS.

4.4.2. RWA Amendments

A signed, amended RWA is required for each substantive modification to the client agency's portion of an RWA. Administrative changes do not require an amended RWA. There is no legal distinction between amending and modifying an RWA. The key issue is whether the amendment or modification is within the initial scope.

4.4.2.1. 10-Percent or \$500 Amendment Rule PBS will notify the requesting agency whenever total obligations and commitments exceed, or are expected to exceed, the authorized amount in the RWA.

The limit on overages allowed on an RWA is \$500 for RWAS with authorized amounts equal to or greater than \$5,000; and 10 percent for RWAs less than \$5,000. An RWA amendment is not required for overages within this limit. For overages exceeding this limit, an amendment to the RWA is required.

4.4.2.2. Substantive Amendments

Amendments within the Period of Availability for New Obligations

For substantive amendments to RWAs citing funding within the period of obligational authority, the client agency must meet the stated requirements for an RWA, as well as:

ITE	М	Check
1.	Fill in the existing RWA number	$\sqrt{}$
2.	Fill in the Agency Certified Amount block with the amount of the amendment and the original authorized amount	$\sqrt{}$
3.	Identify the submission as an amendment and list the changes in the Description of Requirements block	\checkmark
4.	Make any additional changes in the appropriate blocks	\checkmark
5.	Ensure that a certifying official signs the Signature of Funds Certifying Official block and forwards the amended RWA to PBS	\checkmark
	NOTE: These requirements also apply to amendments of RWAs before lease award.	

Amendments outside the Period of Availability for New Obligations

With the exception of antecedent liabilities (*i.e.*, the Government's liabilities that rise from, and are enforceable under, a provision in the original contract) and reductions in scope, PBS prohibits amendments to RWAs citing funding outside the period of availability for new obligations. However, amendments citing new funding are acceptable if the original Scope of Work in the RWA (for which the obligational availability of the funding has expired) remains the same or is reduced. Otherwise, the

client agency must submit a new RWA for review and acceptance.

4.4.2.3. Administrative Amendments

Administrative amendments to RWAs are limited to the following changes:

- a. Agency contact name and contact information,
- b. Billing term,
- c. Billing Office Address Code (BOAC),
- d. Client agency accounting categories,
- e. Treasury Account Symbol (TAS), and
- f. Certifying official's telephone number.

An email from the client agency is sufficient to authorize these administrative changes.

4.4.2.4. Uncommitted, Residual, or Excess Funds

Funds remaining on a reimbursable agreement at the completion of work are residual or excess. PBS provides timely notification of residual or excess funds to the client agency at project closeout. These funds are not available to PBS for any new obligations or new requirements without a new or amended RWA in which the client agency certifies to the then-existing availability of the funds in question for obligation.

PBS must close out the RWA when the scope of work has been satisfied. The client agency might have the ability to use these funds for a new requirement or a new RWA. In order for an agency to spend or redirect excess RWA funds, the RWA must meet the following three conditions:

There must be a Bona Fide need for which the funds are applied,

The appropriated funds must be legally available for the purpose for which they are being redirected, and

The appropriation (or more precisely, the agency's authority to obligate the appropriated funds) must not have lapsed and must remain available until PBS can accept, and thereby obligate, the funds.

Fig. 8 – Reuse of Funds

If the client agency is able to meet all of the above conditions, an agency may amend an existing RWA to expend unused funds, or redirect the funds of an existing RWA to a new RWA, for a new requirement.

4.4.2.4. Scope of Work Changes to Use Excess Funds

- 1. If the amendment involves a change in scope of work (excluding E-type and F-type RWAs) to use excess funds, the client agency must send the amendment, citing a change in scope of work in the **Description of Requirements** block, to PBS for review. This is the same process followed for a new RWA.
- Once PBS has prepared a new cost estimate, PBS will return the RWA to the client agency for the appropriate signature in the Certifying Official (Signature) block.
 For a client agency to spend or redirect excess RWA funds, the action must meet all three conditions identified in section 4.4.2.3.

4.4.3. Cancellation of RWAs

If PBS has already incurred costs and the client agency wishes to cease further work on the RWA, PBS will not incur any additional obligations upon written receipt of cancellation. In that case, PBS will close out the RWA and invoice the client agency for the costs already incurred.

THE CLIENT AGENCY MAY CANCEL AN RWA AT ANY TIME BEFORE PBS INCURS CHARGES AGAINST THAT RWA. TO CANCEL AN RWA, THE CLIENT AGENCY MUST:

- 1. Contact the PBS office in charge of the RWA to confirm that no charges are pending,
- 2. Request cancellation in writing (Note: Use of email is acceptable).

A PBS Program Representative will then:

- 1. Check the **Cancelled** block under the heading **Action**, and
- 2. State in the **Description of Requirements** block that the work is cancelled.

The Client Agency Certifying Official must then:

- 1. Sign in the block for **Signature and Date**, and
- 2. Forward the RWA to the applicable PBS office.

PBS Program Representatives will then:

- 1. Review and concur by signing the RWA,
- 2. Enter it into the Reimbursable Entry and Tracking Application (RETA), and
- 3. Return a signed (either "wet signature" or digital) copy to the client agency.

4.5. Completion, Substantial Completion, and Closeout

4.5.1. Completion

Once the purpose of the RWA, or a part of it, has reached the point of being of beneficial use to the client agency, PBS annotates the RWA (or a part of it) as achieving *substantial completion*. Therefore, RWA project completion means that the actual work requested on the RWA is *substantially complete* even though punch list items may remain unfinished.

When an RWA is substantially complete, PBS will initiate prompt action to submit the project completion dates to the client agency. Additionally, PBS will:

- ✓ Verify that the completion of work date signifies that work is substantially complete, even though punch list items might remain,
- ✓ Notify client agencies (via e-mail) using the Completion Letter when an RWA is certified as substantially complete.
- NOTE: The client agency must NOT de-obligate funds at this phase.

4.5.1.1. Completion of Recurring RWAs

Recurring RWAs require substantial completion dates from inception to determine the duration, service period, or lifecycle of the RWA.

The completion date must not exceed 12 months from the RWA start date. GSA may certify the recurring RWA as complete at any time before the original completion date entered at RWA acceptance.

For R-type RWAs, GSA need not send the client agency a Completion Letter or a Closeout Letter, since the date of substantial completion can be no later than the date set forth in the RWA and the RWA is closed out at the end of the fiscal year.

- NOTE: In the absence of a specific date, the completion date is set as the last day of the RWA's fiscal year.
- 4.5.1.2. Completion of Nonrecurring RWAs (Except F-types) After physically completing a nonrecurring RWA, PBS representatives are responsible for performing the following actions:

- 1. Enter the project substantial completion date into RETA and issue the *Completion Letter*.
- 2. Once all open items clear (liquidate) or are deobligated, determine the final cost of the RWA.
- 3. Send the client agency the final bill for the difference between previous billings and actual costs.

4.5.2. Closeout

Financial Closeout occurs only after invoicing and paying all costs of the work. Closeout signifies Financial Closeout of the RWA and deobligation of any excess funds by the client agency.

- 1) Liquidate and deobligate any residual, excess, or remaining obligations for completed work under awarded contracts.
- 2) Advise the customer agency of any remaining uncommitted funding authority from the project to allow the customer agency to de-obligate any excess funding authority after close-out.
 - 3) Close out all contracts awarded to implement work described under the RWA

To conduct a successful closeout PBS will:

- 4) Issue the final billing, as needed.
- 5) Address any accounts receivable issues, resolve disputes, and confirm that accounts are collected.
- 6) Return any excess prepaid, or advance funds to the customer agency within 60 calendar days of financial close- out.
- 7) Notify the client agency that any excess funding on the RWA may be deobligated by the client agency.

➤ NOTE: Financial Closeout results in the distribution of the completed Form 2957 as well as the RWA Closeout Letter to the client agency, which identifies the remaining balance to de-obligate.

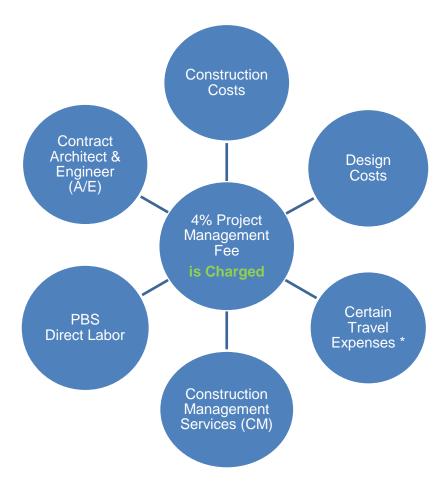
5. Pricing

The Office of Management and Budget (OMB) and the authorities governing the FBF require PBS to recoup all costs incurred to deliver the work requested under an RWA. Direct costs apply only to a specific project. PBS recovers indirect costs through allocation of two different fees: (1) a 4% project management (*i.e.*, regional overhead) fee, and (2) a non-business line (*i.e.*, Central Office) overhead fee.

5.1. What Is Directly Charged?

Obligations and expenses incurred to deliver work requested by the client agency are direct costs. Additionally, PBS charges directly for the PBS representatives' time performing work if the PBS representative is physically helping to deliver the scope of work--e.g., performing the physical activity that PBS would typically hire a contractor to perform.

Alternatively, overtime utility (OTU) estimates are prepared by the client agency under the direction of PBS and the GSA Project Manager using the Overtime Utility Estimating Tool (OUET), where applicable. As with most RWAs, the labor and administrative costs that may be incurred by GSA and PBS personnel involved in helping to prepare these OTU estimates are considered a normal part of the duties of GSA and PBS personnel and are already reflected in the RWA fee structure.



^{*} Travel in excess of routine site inspections that are part of the project milestone schedule visits, or travel by the PM to locations outside the local commuting area.

Fig. 10 – Directly Chargeable Costs



Fig. 11 – Non-chargeable Costs

5.2. Pricing Policy and the 4% Project Management Fee
PBS pricing policy requires PBS to charge a fixed 4% project
management fee on Tenant Improvement (TI) work above the TI
allowance or after occupancy commences as outlined below.

The intent of the 4% project management fee is to recover PBS's regional indirect costs of managing and delivering all regional RWAs. As the fee is not for recovering indirect costs on each individual project, PBS cannot waive it. The project management fee does not apply to such items as physical moves, relocation management, severable services, or personal property, such as telecommunication equipment and furniture.

5.2.1. What Does the Project Management Fee Cover? The 4% project management fee recovers the indirect costs of salary and benefits of PBS representatives and contract representatives hired by PBS who work to oversee, administer, and deliver TI work.

5.2.2. Applying the Project Management Fee The 4% project management fee applies automatically to all space alteration RWAs. There are no exceptions.

5.2.3. Projects in Federally Owned Space

5.2.3.1. Initial or Backfill Occupancy

Shell Rent covers PBS representatives' project oversight of TIs within the TI allowance. The project management (*i.e.,* regional overhead) fee applies to the value of the TIs over the TI allowance funded by the client agency with an RWA. If a client agency elects to waive or lower its customization allowance and instead funds TI work by using an RWA, the project management fee applies.

5.2.3.2. Relet Space and Post-initial/Continuing Occupancy In relet space—second-generation space that already has TIs installed for a prior tenant—and for any post-initial/continuing occupancy, a client agency may pay for all TIs with a lump-sum RWA, provided the space is not taken back to shell condition.

The project management fee applies to the TI work funded with an RWA. This is true whether PBS funds and amortizes costs into the Rent or receives payment by the client agency through an RWA.

5.2.4. Projects in Leased Space

5.2.4.1. Initial or Backfill Occupancy

The project management fee for leased space covers PBS representatives' project oversight of TI amortized in Rent. The project management fee applies to the value of the TIs in excess of the TI allowance that the client agency funds with an RWA. If a client agency elects to waive or lower its customization allowance and instead funds TI work by using an RWA, the project management fee applies.

In relet space—second-generation space that already has TIs installed for a prior tenant—and for any post-initial/continuing occupancy, a client agency may pay for all TIs with a lump-sum RWA, provided the space is not taken back to shell condition.

5.2.4.2. Post-Initial and Continuing Occupancy

The project management fee applies only to TI work funded with an RWA. This is true whether the lessor funds and amortizes costs into the Rent or receives payment by GSA paid by the client agency through an RWA.

5.3. Non-Business Line Overhead

PBS charges for non-business line (*i.e.*, Central Office) overhead to recover all costs, including indirect costs, related to the administration of RWAs from its client agencies. The non-business line overhead recovers the nationwide indirect cost of managing and operating the PBS Reimbursable Services Program.

Recoverable indirect costs include costs associated with the following PBS organizational units and programs:

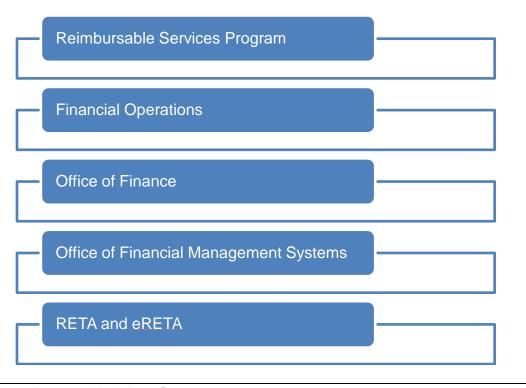


Fig. 12 – Recoverable Indirect Costs

NOTE: PBS applies a non-business line overhead cost allocation to all recurring and nonrecurring RWAs with no exceptions.¹

5.3.1. Recurring RWAs

Recurring RWAs incur a flat \$100 administrative fee to cover non-business line overhead.

¹ GSA's Office of General Counsel concluded that GSA "...lacks the authority to waive or reduce reimbursable costs...that cannot be included in GSA's standard level service charge (Rent) for which arose outside of 40 U.S.C. § 490(j)." [This citation is now codified as 40 U.S.C. § 586, Charges for space and services.]

5.3.2. Nonrecurring RWAs

Nonrecurring RWAs incur a sliding-scale fee to cover non-business line overhead. The sliding-scale charge applies to the total value, including the 4% project management fee, of all nonrecurring RWAs. The maximum sliding-scale charge for a nonrecurring RWA is \$30,000.

6. Billing and Collections

Federal agencies must use their own appropriations to pay the cost of work performed on their behalf. Any unreimbursed costs of PBS expended on behalf of another client agency may constitute an unauthorized augmentation of that agency's appropriations.

PBS must bill the requesting client agency for work performed under an RWA, and the bill must contain the document number, fund citation, and the billing address. PBS bills regularly to recover the costs incurred after PBS and the vendor begin services.

Cost of goods sold or operating expenses and accounts payable are a result of performing the services. Costs and related billings must not exceed the amount of the RWA. If costs exceed the RWA's authorized amount, PBS must promptly request the client agency to amend the RWA to cover the overage.

NOTE: Any prompt payment interest incurred on a client agencyrequested contract for reimbursable work is a proper charge to the RWA, but only if caused by the client agency. Otherwise, the prompt payment interest is the responsibility of GSA.

6.1. RWA Billing

Client agencies have the option of a monthly or quarterly billing cycle regardless of the amount. When the client agency does not specify either option on the RWA, PBS bills monthly.

6.1.1. Recurring RWAs

PBS bills for recurring services in advance and at an established cost equal to the estimated amount.

For R-type RWAs, PBS divides the RWA authorized amount by the period of performance, and the \$100 overhead fee is included in the first billing cycle.

For C-type RWAs, the full amount of the RWA must be collected upfront from the non-Federal entity.

PBS reviews recurring RWAs periodically to verify that the authorized amount estimate is accurate.

6.1.2. Nonrecurring RWAs

PBS bills Nonrecurring RWAs based on costs incurred (*e.g.*, accruals, vendor payments, etc.) as the work is completed. Billing is consistent with the terms of the RWA (usually monthly) in an amount equal to the direct costs accumulated for the billing period, plus the 4% project management fee and the sliding-scale overhead amount.

6.2. Billing Methods

6.2.1. Intra-Governmental Payment and Collection
GSA participates in the Department of the Treasury's IntraGovernmental Payment and Collection (IPAC) system, which
allows direct transfer of funds from the client agency's
Department of the Treasury account to GSA's Department of the
Treasury account. IPAC billing records detailing amounts
transferred go to the Department of the Treasury. The IPAC
website generates reports to registered client agencies.

6.2.2. Non-IPAC

For non-IPAC client agencies, Federal client agencies must enter billing type N on the RWA Form 2957. PBS generates an invoice, which is the GSA Statement, Voucher, and Schedule of Withdrawals and Credits.

6.2.3. Credit Card

The credit card payment option is available to RWA client agencies for any RWA with a total authorized amount less than \$100,000. However, a fully executed RWA is still required.

Client organizations must select either Billing Type N or Billing Type P as an acceptable method by which to pay for RWA goods or services using a credit card as follows:

Billing Type N (For Federal Client Agencies):

This option is for Federal client agencies that choose to pay via check or credit card, but it is strongly discouraged by the Department of the Treasury in favor of use of its Pay.gov Website

✓ The client agency must select billing type N on the RWA to ensure paper billing is sent after goods or services are delivered.

- ✓ The client agency need not complete the credit card blocks on the RWA, as this information must be entered directly into the Pay.gov site.
- ✓ The client agency must pay only as RWA billings are received. Department of the Treasury charges the client agency's credit card and transfers the funds into PBS's account.
 - Billing Type F (For Federal Client Agencies):

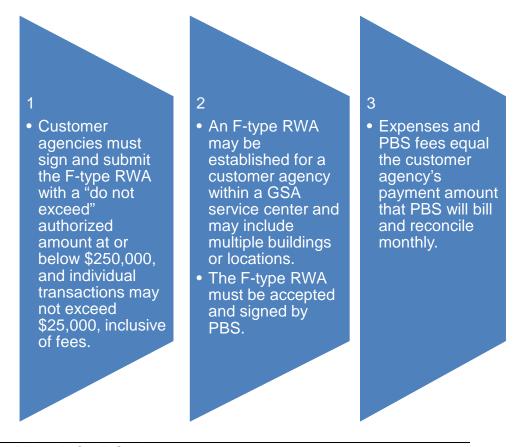


Fig. 13 – F-type Billing via Credit Card

6.2.4. Advance Billings

PBS may bill other agencies in advance of the service performance under 40 U.S.C. § 581(g). Advance billings are bills that PBS sends to the requesting client agency for payment before the commencement of services by PBS and the incurrence of costs associated with the RWA.

➤ NOTE: Client agencies may request advance billing on an exception basis, which must coincide with the business rules contained in the OMB Policy on Advance Payments.

6.2.5. Billing for R-Type Services via Rent Bill RWA client agencies have the option to pay for recurring RWA

RWA client agencies have the option to pay for recurring RWA services as a component of PBS's Rent bill.

6.2.6. PBS Accounts Receivable for Non-IPAC Billings PBS must take timely action to collect all outstanding bills, claims, and debts. In cases of continuing delinquencies, PBS will collaborate with the appropriate Finance office to find solutions.

6.3. Delinquency and Collections

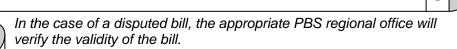
Delinquencies, also known as aged accounts receivables, generally occur when client agencies do not pay their bill within 45 calendar days of the client agency bill (invoice date). Delinquency follow-up by PBS will facilitate timely escalation of the bill collection effort.

With the exception of congressional accounts, PBS will issue delinquency notices to delinquent client agencies on all unresolved disputed items, and overall credit balances that require additional validation, monthly. PBS will escalate the matter within the debtor client agency by contacting the agency by telephone, e-mail, and letter until the delinquency is resolved.

> NOTE: The Economy Act and the Federal Acquisition Regulation requires the prompt payment of interagency agreements.

6.4. Disputes

If a client agency disagrees with the billing amount, PBS considers the bill in dispute and proceeds as follows:



- 1. If a bill is in dispute, delinquency notices will not generate until the bill dispute is resolved.
- 2. If only a part of the billing is under dispute, PBS advises client agencies to pay the undisputed amount.

Disputed bills are resolved in a timely manner with effective followup at 30-calendar-day intervals to collect all monies owed PBS. Disputed bills between agencies follow the interagency dispute resolution set forth by OMB Memorandum M-07-03, dated November 13, 2006.

- 1. If the dispute is financial, it will be referred to the Chief Financial Officers' Council;
- 2. If legal, then it will be referred to the U.S. Attorney General.

Fig. 14 – F-type Billing via Credit Card

6.5. Credits, Duplicate Payments, and Refunds

PBS either processes offsets with another current outstanding receivable in the client agency's account or issues a refund to the client agency for credit billings of \$50 or more.

Similarly, when PBS receives a copy of a collection remittance and research discloses a duplicate payment by the client agency, PBS will process the overpayment to either offset another current outstanding receivable in the client agency's account, or refund the client agency.

When credit billing a non-IPAC under \$50 and the client agency does not use it to offset a different outstanding receivable within 60 calendar days, PBS either writes-off the amount or transfers it to the Department of the Treasury.

NOTE: A client agency may not apply any credit on its account toward future billings; rather, PBS will issue a refund to the client agency. PBS issues refunds to non-IPAC client agencies using Standard Form (SF) 1047: Public Voucher for Refunds.

6.6. Congressional Accounts

Congressional fiscal years and budgets coincide with calendar years; therefore, prompt collections will alleviate any problems that may arise from changes in House and Senate membership after elections. PBS refers congressional invoices to its congressional support branch.

6.7. Chargeback

If the client agency determines it was overbilled, PBS will research the item and issue a credit if applicable.

- The client agency receives a control number and must process an IPAC adjustment within 90 calendar days of the bill date, citing the control number.
- PBS has 90 calendar days to respond to the chargeback submitted by the client agency.

PBS will work internally to rectify the billing, however, if PBS does not agree with the chargeback (or a portion thereof), PBS will contact the client agency and ascertain the reason for the chargeback.

7. Fiscal Yearend Processing

PBS conducts a careful review of the RWA at or near fiscal yearend. GSA issues yearend letters, which detail PBS's requirements for acceptance of RWAs at or near yearend.

➤ Note: Department of Defense (DoD) client agency yearend letters and those for civilian client agencies identify deadlines in which RWAs must be received by GSA to be accepted and processed by fiscal yearend.

The requirements for acceptance of an RWA at or near fiscal yearend depend upon the following:

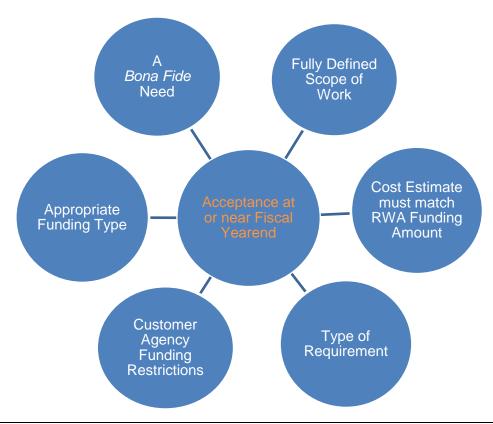


Fig. 15 – Fiscal Yearend Acceptance

NOTE: Any restrictions on the availability and use of the client agency's funds also apply to PBS's contracting activities under the authority of the RWA.

Current policy requires PBS to obligate client agency funding within 90 calendar days unless a documented agreement exists with the client agency to the contrary. Unless the client agency places further fiscal restrictions upon its RWA, PBS has a reasonable time to obligate the client agency's funding, even if the award takes place in a subsequent fiscal year.

8. Questions?

If you have additional questions, or need specific information, please contact your local PBS Representative or go to the RWA Client Portal, at www.gsa.gov/rwa.